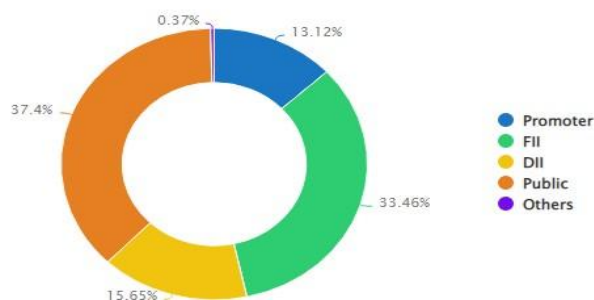


### VALUE PARAMETERS

Face Value (Rs.)	5.00
52 Week High/Low	1848.25/1176.30
M.Cap (Rs. in Cr.)	767294.00
EPS (Rs.)	49.63
P/E Ratio (times)	36.76
P/B Ratio (times)	12.07
Dividend Yield (%)	1.50
Stock Exchange	NSE

### SHAREHOLDING PATTERN



### P/E CHART

### FINANCIAL PERFORMANCE

(Rs.in Cr.)

	ACTUAL	FORECAST	
	FY Mar-21	FY Mar-22	FY Mar-23
REVENUE	100472.00	119387.51	136534.84
EBITDA	27889.00	31715.26	36249.84
EBITA	24622.00	28301.18	32371.30
NET INCOME	19351.00	22282.76	25815.08
EPS	45.52	52.93	61.57
BVPS	179.85	178.50	192.56
ROE	27.29%	29.12%	32.26%

### Investment Rationale:

- Revenues of the company stood at US\$ 3998 million a growth of 19.4% YoY and 6.3% QoQ in constant currency terms. Operating margin stood at 23.6%. The company delivered the margins at the fore front keeping increased focus on employees by increased compensation and benefits.
- Growth was broad based across all the sectors and service lines. Financial services grew by 20.5% which is largest sector of the company and has done exceptionally well; manufacturing grew 42.5%, retail by 17.2% and life sciences by 26.1%. In terms of geography North America grew by 23.1% and Europe 19.6%.
- Large deals signings stood at US \$ 2.15 billion. The company won 22 50+ million deals totaling US \$ 2.2 billion of which 5 each were won in financial services and energy resource services, 3 each in retail and manufacturing, 2 each in communication and hi-tech and 1 each in life sciences and other segment. The share of the new deals in Q2 FY2022 was 37%. The company sees good pipeline of large deals. The company is targeting deals in digital transformation, cloud, data and analytics across all industries.
- Attrition moved up at 20.1% (LTM). Attrition has increased on the back of high industry demand and supply tightness especially in niche skill areas. Attrition was mostly in 3-6 years' experience across the industry as they are not emotionally connected with the company. The management expects attrition to remain elevated for next 2-3 quarters.
- The net addition of head count stood at 11664 during the quarter with market leading talent. The company has expanded its freshers hiring program to 45,000 for the year which was 35,000 in Q1 FY2022. In the company on boarded 25000 college graduates.

### Risk

- Highly Competitive.
- Currency Fluctuation

### Valuation

The company continued to gain market share on the back of strong digital and cloud capabilities. With a strong start to the financial year, good deal Momentum in Q2, a robust pipeline, the company is increasing its annual Revenue growth guidance from 14% to 16% previously 16.5% to 17.5% Growth in constant currency. Operating margin guidance remains the same, 22% to 24%. The company's profitability remains among the best in the Industry. supported by its superior revenue mix, cost optimization measures, and delivery effectiveness. The company is also expected to invest in niche Acquisition to strengthen its domain expertise in the medium term. These will be largely funded from its cash surplus and healthy accrual. Thus, it is expected that the stock will see a price target of Rs. 2263 in 8 to 10 months time frame on current P/E of 36.76X and FY23(E) earnings of Rs. 61.75.

## QUERIES & FEEDBACK

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### **Disclosure:**

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